

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11**
: **Case No. 12-12900 (SCC)**
: **Jointly Administered**
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**STIPULATION, AGREEMENT, AND ORDER BETWEEN
PATRIOT COAL SALES LLC AND EDF TRADING NORTH AMERICA, LLC**

This Stipulation, Agreement, and Order (this “**Stipulation**”) is entered into between Patriot Coal Sales LLC (“**Patriot**”) and EDF Trading North America, LLC (“**EDF**”) (each a “**Party**” and together the “**Parties**”).

RECITALS:

1. On July 9, 2012 (the “**Commencement Date**”), Patriot and certain of its affiliates (collectively, the “**Debtors**”) each commenced with this Court a voluntary case under chapter 11 of title 11, United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

3. EDF and Patriot are parties to four agreements (collectively, the “**Agreements**”), pursuant to which Patriot sells coal to EDF.

4. EDF and Patriot have had numerous discussions regarding the terms of the Agreements. As a result of those discussions, the Parties have agreed as follows.

AGREEMENT:

5. Effective upon entry of this Stipulation by the Court, pursuant to section 365 of the Bankruptcy Code, the Parties will (a) amend and assume the Agreements, to allow the Parties to continue their existing relationship, and (b) enter into a new agreement for coal purchases in 2013 and 2014. The material amendments to the Agreements are as follows:¹

- Revisions to certain economic terms;
- Elimination of the filing of Patriot's chapter 11 case as an event of default;
- Addition of certain events of default relating to conversion or dismissal of Patriot's chapter 11 case, appointment of a chapter 11 trustee or an examiner with expanded powers, and certain other actions taken by Patriot or a third party during the chapter 11 case;
- Addition of certain representations and warranties relating to the chapter 11 case; and
- Addition of certain acknowledgments regarding waiver of the automatic stay.

6. No cure amount is owed by either Party to the other Party with respect to the Agreements.

7. The Seller is authorized to enter into the coal supply contract with Buyer pursuant to section 363 of the Bankruptcy Code.

8. The Parties will execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and take any and all actions that may be reasonably necessary or appropriate to implement the Agreements and perform all obligations

¹ This summary is for summary purposes only. In the event of any conflict between this summary and the Agreements, the terms of the Agreements shall govern.

contemplated thereunder, including, without limitation, the payment of any fees, charges and expenses required thereby.

9. Pursuant to sections 105 and 362(d)(1) of the Bankruptcy Code, the automatic stay of section 362 of the Bankruptcy Code, to the extent applicable, is hereby modified to enable the Parties to amend the Agreements.

10. Pursuant to sections 105 and 362(d)(1) of the Bankruptcy Code, the automatic stay of section 362 of the Bankruptcy Code, to the extent applicable, is hereby modified to enable EDF and Patriot to exercise any and all of their respective contractual rights under the Agreements, including, without limitation, all rights and remedies provided for in the Agreements that are related to events of default and similar events, without requesting further relief from the automatic stay, and neither Party nor any other party in interest may enforce the automatic stay against EDF or Patriot with respect to these rights.

11. Each Party's right to liquidate, terminate or accelerate the Agreements and its rights to net and setoff against amounts due it, including its right to apply any collateral, all in accordance with the Agreements, shall not be stayed, avoided or otherwise limited by any provision of the Bankruptcy Code, including, without limitation, sections 362(a) or 549 thereof.

12. To the extent set forth in the Agreements, no obligation, payment, transfer or grant of security or other property by Patriot to EDF under, pursuant to, and consistent with the Agreement shall be stayed, restrained, voidable or recoverable under Chapter 5 of the Bankruptcy Code.

13. Patriot's liabilities and any amounts due and owing from Patriot pursuant to the Agreements constitute administrative expenses under section 503(b) of the Bankruptcy Code, and are entitled to priority pursuant to section 507(a)(2) of the Bankruptcy Code.

14. This Stipulation may not be modified other than by a signed writing executed by the Parties hereto or by order of the Court.

15. Each person who executes this Stipulation on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation on behalf of such Party.

16. This Stipulation shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

17. The Parties hereby irrevocably and unconditionally agree that the Court shall retain exclusive jurisdiction (i) to interpret, implement and enforce the provisions of this Stipulation, and (ii) for so long as Patriot remains a debtor in a case under the Bankruptcy Code, enforce and implement the terms and provisions of the Agreement and to resolve any disputes arising under or related to the Agreement. Should the Court abstain from exercising its jurisdiction or be found not to have jurisdiction over a matter relating to this Stipulation or the Agreement, such matter shall be adjudicated in accordance with the Agreement.

18. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Evidence of execution of this Stipulation may be exchanged by fax or by electronic transmission of a scanned copy of the signature pages or by exchange of an originally signed document, each of which shall be as fully binding on the party as a signed original.

Dated: New York, New York
July 20, 2012

By: /s/ Amelia T.R. Starr

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IT IS SO-ORDERED:

August 2, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE